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YH

IN THE MATTER OF THE JOINT
APPLICATION OF WILLOW VALLEY
WATER CO., INC. AND EPCOR WATER
ARIZONA, INC. FOR APPROVAL OF THE
SALE OF ASSETS AND TRANSFER OF
CERTIFICATE OF CONVENIENCE AND
NECESSITY

W-01732A-15-0131
W-01303A-15-0131

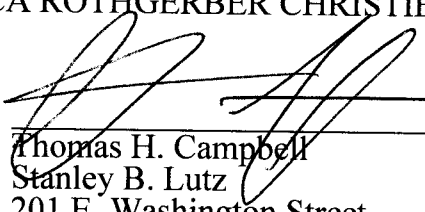
**EPCOR WATER ARIZONA,
INC.'S REQUEST FOR AN
EXTENSION OF TIME TO FILE
COMPLIANCE ITEM**

Decision No. 75484, docketed March 10, 2016, required EPCOR Water Arizona Inc. ("EWAZ" or "Company") to submit, as a compliance item within 90 days of the date of the Decision, "a report containing a detailed analysis and plan to reduce water loss to 10 percent or less" or, alternatively, "a detailed cost benefit analysis" supporting the Company's conclusion that it would not be cost effective to reduce water losses in the Willow Valley system to less than 10 percent. [Decision No. 75484 at 19.] The transaction between EWAZ and Willow Valley Water Co., Inc. closed on May 9, 2016, approximately 30 days ago. EWAZ has assumed operation of the Willow Valley system and is now in the process of assessing the system and preparing the analysis and plan required by the Decision. Due to the very short time that it has been operating the system, EWAZ has not yet completed its assessment and will not be able to file this compliance

1 item in the timeframe set out in the Decision. EWAZ, therefore, respectfully requests that
2 the Commission extend the time for EWAZ to file the required report till August 9, 2016,
3 90 days from the date the transaction closed. Such an extension will allow EWAZ to
4 conduct an assessment of the level of water losses currently experienced in the Willow
5 Valley system recognizing not only revenue-producing sales of water to customers but also
6 all production volumes adjusted for all authorized unbilled consumption including, for
7 example, company use and flushing. This will enable EWAZ to determine a response plan
8 focused on identifying the most cost beneficial work to be performed to address water loss
9 in the Willow Valley system. An extension will also provide EWAZ with the time
10 necessary to develop a strategy to address potential sources of lost water (including water
11 line and valve leaks, inaccurate meter reads (both high and low), theft of water) and
12 prepare and docket the Commission-required report.¹

13
14 RESPECTFULLY SUBMITTED this 7th day of June, 2016.

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16 LEWIS ROCA ROTHGERBER CHRISTIE, LLP

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18 
19 Thomas H. Campbell
20 Stanley B. Lutz
21 201 E. Washington Street
22 Phoenix, AZ 85004
23 (602) 262-5704
24 Attorneys for EPCOR Water Arizona Inc.

25
26 ¹ The same ordering paragraph of the Decision indicates that EWAZ shall not allow water loss in the Willow Valley system to exceed "15 percent." EWAZ understands this provision to mean that it must eventually reduce water losses in the Willow Valley system to no more than 15 percent. Water loss in the Willow Valley system exceeded 27 percent for 2014. [Decision at 7, n. 18.] As part of its proposed Acquisition Adjustment Mechanism, EWAZ committed to reduce the system's water loss ratio by 25 percent over a five year period, with the eventual goal of reducing system water loss to below ten percent. Such a reduction will not occur immediately and the 15 percent cap set in the Decision will not be realized for some time.

1 ORIGINAL AND thirteen (13) copies
2 of the foregoing hand-delivered this
3 7th day of June, 2016, to:

3 The Arizona Corporation Commission
4 Utilities Division – Docket Control
5 1200 W. Washington Street
6 Phoenix, Arizona 85007

6 Copy of the foregoing hand-delivered
7 this 7th day of June, 2016, to:

7 Thomas Broderick
8 Director, Utilities Division
9 Arizona Corporation Commission
10 1200 W. Washington Street
11 Phoenix, Arizona 85007

10 Dwight Nodes
11 Chief Administrative Law Judge, Hearing Division
12 1200 W. Washington Street
13 Phoenix, Arizona 85007

12 Janice Alward
13 Chief Counsel, Legal Division
14 Arizona Corporation Commission
15 1200 W. Washington Street
16 Phoenix, Arizona 85007

15 Copy of the foregoing mailed
16 this 7th day of June, 2016, to:

17 Timothy Sabo
18 Snell & Wilmer
19 400 E. Van Buren, Suite 800
20 One Arizona Center
21 Phoenix, Arizona 85004

21 Daniel W. Pozefsky
22 Chief Counsel
23 Residential Utility Consumer Office
24 1110 W. Washington St. Suite 220
25 Phoenix, AZ 85007

26 Jeung Amano